

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN

FINANCIAL REPORT WITH
SUPPLEMENTARY INFORMATION

MARCH 31, 2007

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name TOWNSHIP OF PERRY	County SHIAWASSEE
Fiscal Year End MARCH 31, 2007	Opinion Date AUGUST 16, 2007	Date Audit Report Submitted to State OCTOBER 4, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- | YES | NO | Check each applicable box below. (See instructions for further detail.) |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. The local unit has adopted a budget for all required funds. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. A public hearing on the budget was held in accordance with State statute. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. The local unit only holds deposits/investments that comply with statutory requirements. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9. The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the <i>Bulletin for Audits of Local Units of Government in Michigan</i> , as revised (see Appendix H of Bulletin). |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 11. The local unit is free of repeated comments from previous years. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 12. The audit opinion is UNQUALIFIED. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 13. The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP). |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 14. The board or council approves all invoices prior to payment as required by charter or statute. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 15. To our knowledge, bank reconciliations that were reviewed were performed timely. |

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) DEMIS AND WENZLICK, P.C.		Telephone Number (989) 723-8227		
Street Address 217 N WASHINGTON ST, SUITE 201		City OWOSSO	State MI	Zip 48867
Authorizing CPA Signature		Printed Name LORI S. CHANT, C.P.A.		License Number 1101020651

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
MARCH 31, 2007

ELECTED OFFICIALS

Sidney Grinnell

Supervisor

Sandra Michalck

Clerk

Troy Parmalee

Treasurer

Elizabeth Andrus

Trustee

Patsy Force

Trustee

TOWNSHIP OF PERRY

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DEMIS and WENZLICK, P.C.

Certified Public Accountants

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Janis K. Mead
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David Pullen
Vicki E. Schuler
Joyce M. Simmons
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Independent Auditors' Report

Board of Trustees
Township of Perry
Shiawassee County, Michigan

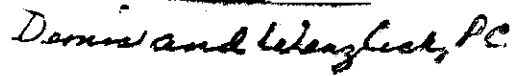
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Perry as of and for the year then ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Perry as of March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedules as identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The introductory section and the other supplemental information, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Handwritten signature of Dennis and Wenzel, PC.

Certified Public Accountants

August 16, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWNSHIP OF PERRY MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the Township of Perry's (the Township's) financial performance and position, providing an overview of the activities for the year ended March 31, 2007. This analysis should be read in conjunction with the Independent Auditors Report and with the Township's financial statements, which follow this section. The fiscal year ended March 31, 2007 represents the first year the Township has reported under the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as amended by GASB Statement No. 37 Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments – Omnibus and Statement No. 38 Certain Financial Statement Note Disclosures. Therefore, this discussion and analysis does not provide comparisons with previous years.

Financial Results

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended March 31, 2007:

- State shared revenue, one of our largest revenue sources in the General Fund, decreased approximately \$4,409.
- Property Taxes and related fees, our second largest revenue source in the General Fund, increased \$7,242 for the year. On a Township basis, this represents an approximate overall increase of 1.5% over the prior year.
- The fund balance of the Township's General Fund decreased (\$90,997) to \$164,449. The main reason for the decrease was the General Fund transferred \$235,000 to other funds.

Using this Annual Report

This annual report consists of a series of financial statements. The state of net assets and the statement of activities provide information about the activities of the Township of Perry as a whole and represent a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of provided government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the operations of the Township of Perry in more detail than the government-wide financial statements by providing information about the Township's most significant funds.

TOWNSHIP OF PERRY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Township as a Whole

The following table shows, in a condensed format, the net assets of the Township as of March 31, 2007:

Current Assets	\$ 697,150
Capital Assets	<u>432,074</u>
Total Assets	<u>\$1,129,224</u>
Current Liabilities	<u>\$ 1,591</u>
Total Liabilities	<u>\$ 1,591</u>
Net Assets	<u>\$1,127,633</u>

The following table shows the change in net assets for the year ended March 31, 2007:

Program Revenues	
Charges for Services	\$ 41,056
General Revenues	
State Shared Revenues	243,449
Property Tax/Special Assessments	134,130
Metro Act Funds	3,277
Franchise Fees	5,947
Other General Revenues	<u>32,559</u>
Total Revenues	<u>\$ 460,418</u>
Program Expenses	
General Government	\$ 214,068
Public Safety (Ambulance)	17,965
Public Works	82,459
Sewer	<u>1,906</u>
Total Expenses	<u>\$ 316,398</u>
Change in Net Assets	<u>\$ 144,020</u>

TOWNSHIP OF PERRY MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

The Township's governmental revenues totaled \$447,832 with the greatest revenue sources being state shared revenues and property taxes and fees, making up approximately 84 percent of total revenues.

The Township incurred expenses of \$316,398 during the year. The majority of the expenses are associated with the general government and public safety functions, as well as the expenses of the Sewer Funds.

The Township's Funds

The analysis of the Township's governmental funds begins on Page 10 following the government-wide financial statements. The fund financial statements provide detailed information about all the general government funds. The analysis of the Sewer Enterprise Funds is presented separately. The Township of Perry's Board of Trustees has the ability to create funds to help manage money for specific purposes as well as to show accountability for certain activities, such as property tax millages and special assessments.

The General Fund pays for the majority of the Township's governmental services. The Road Fund pays for road maintenance. The General fund paid \$37,990 for road maintenance during the year.

General Fund Budgetary Highlights

Over the course of the fiscal year, the Township Board made necessary budget adjustments to fund unanticipated expenditures during the year. Budget amendments were made to cover the expected decrease in state shared revenue. However, because all departments came in under budget at year-end, there was an overall favorable budget to actual variance.

Capital Assets

At the end of the fiscal year, the Township had approximately \$777,927 (valued at historical cost) in assets which includes building, land, furniture, cemetery equipment, office equipment and software. Accumulated depreciation recorded for the general township assets was \$345,853.

TOWNSHIP OF PERRY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Current Economic Factors

Revenue sharing is the most significant budgetary concern at this time. The State of Michigan is experiencing significant budget problems, and as they look for solutions, revenue sharing continues to be under attack.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, we encourage you to contact a Township official at the Township Hall at (517) 625-4597.

**BASIC
FINANCIAL STATEMENTS**

TOWNSHIP OF PERRY
 SHIAWASSEE COUNTY, MICHIGAN
 GOVERNMENT-WIDE STATEMENT OF NET ASSETS
 MARCH 31, 2007

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Assets				
Cash and Investments	\$ 554,894	\$ 54,156	\$ 609,050	\$45,256
Receivables (Within One Year)	74,997	600	75,597	
Due from Other Governments	12,503		12,503	
Capital assets not being depreciated	210,388		210,388	
Capital assets being depreciated, net	<u>221,686</u>		<u>221,686</u>	
TOTAL ASSETS	<u>\$1,074,468</u>	<u>\$ 54,756</u>	<u>\$1,129,224</u>	<u>\$45,256</u>
Liabilities				
Accounts Payable	<u>\$ 1,591</u>	<u>\$ 0</u>	<u>\$ 1,591</u>	<u>\$ 0</u>
TOTAL LIABILITIES	<u>\$ 1,591</u>	<u>\$ 0</u>	<u>\$ 1,591</u>	<u>\$ 0</u>
Net Assets				
Invested in Capital Assets (Net of Related Debt)	\$ 432,074	\$	\$ 432,074	\$
Unrestricted	<u>640,803</u>	<u>54,756</u>	<u>695,559</u>	<u>45,256</u>
TOTAL NET ASSETS	<u>\$1,072,877</u>	<u>\$ 54,756</u>	<u>\$1,127,633</u>	<u>\$45,256</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	
Primary Government:				
Governmental Activities:				
General Government	\$214,068	\$30,611	\$ 0	\$(183,457)
Public Safety	17,965	0	0	(17,965)
Public Works	<u>82,459</u>	<u>0</u>	<u>0</u>	<u>(82,459)</u>
Total Governmental Activities	<u>\$314,492</u>	<u>\$30,611</u>	<u>\$ 0</u>	<u>\$(283,881)</u>
Business Type-Activities:				
Sewer	<u>\$ 1,906</u>	<u>\$10,445</u>	<u>\$ 0</u>	<u>\$ 8,539</u>
Total Business-Type Activities	<u>\$ 1,906</u>	<u>\$10,445</u>	<u>\$ 0</u>	<u>\$ 8,539</u>
Total Primary Government	<u>\$316,398</u>	<u>\$41,056</u>	<u>\$ 0</u>	<u>\$(275,342)</u>
Component Unit:				
Development Authority	<u>\$ 22,510</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (22,510)</u>
Total Component Unit	<u>\$ 22,510</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (22,510)</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
 SHLAWASSEE COUNTY, MICHIGAN
 STATEMENT OF ACTIVITIES (CONCLUDED)
 FOR THE YEAR ENDED MARCH 31, 2007

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Changes in Net Assets				
Net (Expense) Revenue	<u>\$ (283,881)</u>	<u>\$ 8,539</u>	<u>\$ (275,342)</u>	<u>\$(22,510)</u>
General Revenues:				
Property Taxes/Special Assessments	\$ 134,130	\$ 0	\$ 134,130	\$ 20,567
State Shared Revenue	246,726	0	246,726	
Franchise Fees	5,947	0	5,947	
Other Miscellaneous Income	5,049	0	5,049	1,753
Unrestricted Investment Earnings	<u>25,369</u>	<u>2,141</u>	<u>27,510</u>	<u> </u>
Total General Revenues	<u>\$ 417,221</u>	<u>\$ 2,141</u>	<u>\$ 419,362</u>	<u>\$ 22,320</u>
Change in Net Assets	\$ 133,340	\$ 10,680	\$ 144,020	\$ (190)
Net Assets, Beginning Of Year	<u>939,537</u>	<u>44,076</u>	<u>983,613</u>	<u>45,446</u>
Net Assets, End of Year	<u>\$1,072,877</u>	<u>\$ 54,756</u>	<u>\$1,127,633</u>	<u>\$ 45,256</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2007

	General Fund	Road Fund	Street Lights Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash & Cash Equivalents	\$ 90,859	\$133,194	\$ 10,899	\$ 319,942	\$554,894
Due from Other Funds	22,521	3,834	940	2,319	29,614
Due from Other Gov't Units – (Delinq Taxes)	11,684		470	349	12,503
Receivables	39,717		0	5,666	45,383
TOTAL ASSETS	<u>\$164,781</u>	<u>\$137,028</u>	<u>\$ 12,309</u>	<u>\$ 328,276</u>	<u>\$ 642,394</u>
LIABILITIES & FUND BALANCES					
LIABILITIES:					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Due to Other Funds	332	0	1,259	0	1,591
TOTAL LIABILITIES	<u>\$ 332</u>	<u>\$ 0</u>	<u>\$ 1,259</u>	<u>\$ 0</u>	<u>\$ 1,591</u>
FUND BALANCES:					
Unreserved	\$164,449	\$137,028	\$ 11,050	\$ 328,276	\$640,803
TOTAL FUND BALANCES	<u>\$164,449</u>	<u>\$137,028</u>	<u>\$ 11,050</u>	<u>\$ 328,276</u>	<u>\$640,803</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$164,781</u>	<u>\$137,028</u>	<u>\$ 12,309</u>	<u>\$ 328,276</u>	<u>\$642,394</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS
MARCH 31, 2007

Fund Balances – Total Governmental Funds	\$ 640,803
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Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds.

 Add: Capital Assets

777,927

 Deduct: Accumulated Depreciation

(345,853)

Net Assets of Governmental Activities

\$1,072,877

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2007

	<u>General Fund</u>	<u>Road Fund</u>	<u>Street Lights Fund</u>	<u>Other Gov't Funds</u>	<u>Total Gov't Funds</u>
REVENUES:					
Property Taxes	\$ 91,981	\$ 6,263	\$ 7,330	\$ 0	\$105,574
Administrative Fees	28,556	0	0	0	28,556
Charges for Service	30,016	0	0	595	30,611
Intergovernmental –State	246,726	0	0	0	246,726
Interest	15,698	0	31	9,640	25,369
Miscellaneous Other Revenues	<u>10,134</u>	<u>0</u>	<u>56</u>	<u>806</u>	<u>10,996</u>
TOTAL REVENUES	\$ 423,111	\$ 6,263	\$ 7,417	\$ 11,041	\$447,832
EXPENDITURES:					
General Government	\$ 203,084	\$ 0	\$ 0	\$ 6	\$203,090
Public Safety	17,965	0	0	0	17,965
Public Works	52,646	15,208	8,135	0	75,989
Capital Outlay	<u>60,915</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,915</u>
TOTAL EXPENDITURES	\$ 334,610	\$ 15,208	\$ 8,135	\$ 6	\$357,959
Revenues over (Under) Expenditures	\$ 88,501	\$ (8,945)	\$ (718)	\$ 11,035	\$ 89,873
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ 55,502	\$ 97,378	\$ 3,500	\$148,000	\$ 304,380
Transfers Out	<u>(235,000)</u>	<u>(33,135)</u>	<u>0</u>	<u>(36,245)</u>	<u>(304,380)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$(179,498)</u>	<u>\$ 64,243</u>	<u>\$ 3,500</u>	<u>\$111,755</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (90,997)	\$ 55,298	\$ 2,782	\$122,790	\$ 89,873
Fund Balances April 1, 2006	<u>255,446</u>	<u>81,730</u>	<u>8,268</u>	<u>205,486</u>	<u>550,930</u>
FUND BALANCES, MARCH 31, 2007	<u>\$164,449</u>	<u>\$137,028</u>	<u>\$ 11,050</u>	<u>\$328,276</u>	<u>\$640,803</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2007

Net change in fund balances – total governmental funds	\$ 89,873
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Amounts reported for governmental activities in the statement of
activities are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Add: Capital outlay	60,915
Deduct: Depreciation expense	<u>(17,448)</u>

Change in net assets of governmental activities	<u>\$133,340</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
MARCH 31, 2007

ASSETS:

Current Assets:

Cash and Investments	\$ 54,156
Receivables	<u>600</u>
TOTAL ASSETS	<u>\$ 54,756</u>

NET ASSETS:

Unrestricted	\$ 54,756
TOTAL NET ASSETS	<u>\$ 54,756</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
 SHIAWASSEE COUNTY, MICHIGAN
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED MARCH 31, 2007

OPERATING REVENUES:	
License & Permit Fees	\$ 5,325
Maintenance Fees	<u>5,120</u>
TOTAL OPERATING REVENUES	<u>\$ 10,445</u>
OPERATING EXPENSES:	
Operation Payments	\$ 1,800
Utilities	<u>106</u>
TOTAL OPERATING EXPENSES	<u>\$ 1,906</u>
OPERATING INCOME (LOSS)	\$ 8,539
NON-OPERATING REVENUES:	
Interest on Investments	<u>\$ 2,141</u>
TOTAL NON-OPERATING REVENUES	<u>\$ 2,141</u>
Change in Net Assets	<u>\$ 10,680</u>
Net Assets, Beginning of Year	<u>44,076</u>
NET ASSETS, END OF YEAR	<u>\$ 54,756</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers and Users	\$12,225
Payments to Suppliers	<u>(1,906)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$10,319</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment Income – Interest	\$ 2,141
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>\$ 2,141</u>

NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$12,460
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Cash and Cash Equivalents, Beginning of Year	<u>41,696</u>
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CASH & CASH EQUIVALENTS, END OF YEAR	<u>\$54,156</u>
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Statement of Net Asset Classification of Cash and Cash Equivalents	<u>\$54,156</u>
--	-----------------

TOTAL CASH AND CASH EQUIVALENTS	<u>\$54,156</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF CASH FLOWS (CONCLUDED)
PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2007

Reconciliation of Operating Income (Loss) to	
Net Cash Provided by Operating Activities:	
Operating Income	\$ 8,539
Adjustments to Reconcile Operating Income (Loss)	
to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Receivables	<u>1,780</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$10,319</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
BALANCE SHEET
COMPONENT UNIT
MARCH 31, 2007

TOWNSHIP OF PERRY
DEVELOPMENT
AUTHORITY

ASSETS:

Cash in Bank	\$ 45,256
TOTAL ASSETS	<u>\$ 45,256</u>

FUND BALANCE:

Unreserved	\$ 45,256
TOTAL FUND BALANCE	<u>\$ 45,256</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT
FOR THE YEAR ENDED MARCH 31, 2007

TOWNSHIP OF PERRY
DEVELOPMENT
AUTHORITY

REVENUES:

Property Taxes	\$ 20,567
Interest Income	<u>1,753</u>
TOTAL REVENUES	<u>\$ 22,320</u>

EXPENDITURES:

Attorney Fees	\$ 760
Contracted Services	21,300
Engineering	<u>450</u>
TOTAL EXPENDITURES	<u>\$ 22,510</u>

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (190)</u>
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Fund Balance at April 1, 2006	<u>45,446</u>
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FUND BALANCE AT March 31, 2007	<u>\$ 45,256</u>
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The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Perry conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Local Governmental Unit:

A – REPORTING ENTITY

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there is one component unit that needs to be included in the Townships annual report.

B.-. DISCRETELY PRESENTED COMPONENT UNIT

Township of Perry Development Authority is used for the planning of improvements in the downtown district. Board members are appointed by the Board. The Development Authority is fiscally dependent upon Township, because the Board approves its budget, levies taxes and must approve any debt issuance. The Development Authority is presented as a governmental type fund.

C – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

D - MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, income taxes, licenses, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Township reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Road Funds – The Road Fund is used to account for monies received and disbursed for the maintenance of the Township's roads.

Street Light Fund – The Street Lights Fund is used to account for monies received and disbursed for maintenances of Township Street Lights.

The Township reports the following major proprietary fund:

The Sewer Fund is used to account for sewer services to the residents of the Township. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations and related debt service.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

D – MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT
PRESENTATION (CONTINUED)

The Township reports the following non-major funds:

Cemetery Fund – The Cemetery Fund is used to account for monies received and disbursed for the maintenance of the Township's cemetery.

Improvement Fund – The Improvement Fund is used to account for money set aside by the Township Board for future improvements within the Township.

Investment Fund – The Investment Fund is used to account for money set aside by the Township Board for short-term investments.

Land & Building Fund – The Land and Building Fund is used to account for money set aside by the Township Board for future building improvements or land purchases within the Township.

Paving Fund – The Paving Fund is used to account for monies received and disbursed for paving.

Additionally, the government reports the following fund types:

Agency Fund – The tax collection fund is used to receive the Township's current tax and to distribute such monies to the local school districts, County and Township Funds.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to (to also) follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer fund also recognizes the portion of tap fees intended to recover current costs (e.g. labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as non-operating revenue. Operating expenses for proprietary funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

D – ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Bank Deposits and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Certificates of Deposit with a maturity date of three months or less are considered short term investments.

Receivables and Payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. At March 31, 2007 there were no prepaid items.

Capital Assets – Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Roads	10 to 30 years
Other Infrastructure	X to X years
Cemetery Equipment	7 to 15 years
Furniture & Fixtures	5 to 7 years

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

Compensated Absences (Vacation and Sick Leave) – the Township does not have a policy for paid vacation or sick leave. There are no expenditures recorded for sick leave or vacation pay.

Long-Term Obligations – In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. Annual appropriated budgets are adopted for General, Special Revenue, Capital Projects Funds.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year. (Alternative: Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.)

NOTE 3 – DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the account of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investment and Deposit Risk:

Interest Rate Risk – State law limits the allowable investments and the maturities of some of the allowable investments as identified in the above list of authorized investments. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments above. In compliance with State law, the Township's investment policy limits investments to the top two ratings issued by nationally recognized statistical rating organizations. The Township's investment policy does not have specific limits in excess of state law on investment credit risk.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial credit risk. As of year end \$499,138 of the Township's bank deposits of \$685,555 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Township does not have a policy for investment custodial credit risk. There were no investments held by the Township at year end.

Concentration of Credit Risk – State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. The Township's investment policy does not have specific limits in excess of state law on concentration of credit risk. There were no investments that exceeded 5% of the Township's total investments at year end.

At year end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Deposits</u>	<u>FDIC Insured</u>	<u>Uninsured</u>
Government-Wide Financial Statements:			
Checking	\$599,139	\$100,000	\$499,139
Savings	<u>55,167</u>	<u>55,167</u>	<u>0</u>
CASH & INVESTMENTS	<u>\$654,306</u>	<u>\$155,167</u>	<u>\$499,139</u>
Fiduciary Fund Financial Statements:			
Checking	<u>\$ 31,249</u>	<u>\$ 31,249</u>	<u>\$ 0</u>

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2007 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 210,388	\$ _____	\$ _____	\$ 210,388
Capital Assets being Depreciated:				
Buildings	\$ 266,945	\$ _____	\$ _____	\$ 266,945
Cemetery Equipment	27,662	19,199		46,861
Public Infrastructure	84,300	38,261		122,561
Furniture & Fixtures	<u>127,717</u>	<u>3,455</u>	_____	<u>131,172</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED	\$ 506,624	\$ 60,915	\$ _____	\$ 567,539
Less Accumulated Depreciation for:				
Buildings	\$ (179,073)	\$ (3,519)	\$ _____	\$ (182,592)
Cemetery Equipment	(25,433)	(1,123)		(26,556)
Public Infrastructure	(19,670)	(6,470)		(26,140)
Furniture & Fixtures	<u>(104,229)</u>	<u>(6,336)</u>	_____	<u>(110,565)</u>
TOTAL ACCUMULATED DEPRECIATION	\$ (328,405)	\$ (17,448)	\$ _____	\$ (345,853)
Total Capital Assets being Depreciated, Net	<u>178,219</u>	<u>43,467</u>	_____	<u>221,686</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 338,607	\$ 43,467	\$ _____	\$ 432,074

Depreciation was charged to functions of the primary government as follows:

Governmental Activities:	
General Government	<u>17,448</u>
Total Depreciation Expense-Governmental Activities	<u>\$17,448</u>

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at March 31, 2007 is as follows:

<u>Fund</u>	<u>Due From Receivable</u>	<u>Due To Payable</u>
General	\$ 22,521	\$ 332
Road	3,834	0
Street Lights	940	1,259
Investment	1,259	0
Paving	1,060	0
Tax	0	28,023
	<u>\$ 29,614</u>	<u>\$29,614</u>

The composition of interfund transfers at March 31, 2007 is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 55,502	\$ 235,000
Road	97,378	33,135
Street Lights	3,500	0
Cemetery	0	5,040
Improvement	69,000	17,327
Investment	30,000	0
Land & Building	49,000	0
Paving	0	13,878
	<u>\$304,380</u>	<u>\$ 304,380</u>

NOTE 6 – RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions, injuries and illnesses of employees; and natural disasters. The Township carries commercial insurance to cover any potential claims associated with these risks and has no claims that exceeded coverage during the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF PERRY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Property Taxes	\$141,450	\$ 83,000	\$ 78,287	\$ 4,713
425 Tax Agreement	8,458	10,958	11,323	(365)
Trailer Tax	2,000	2,000	2,371	(371)
Administrative Tax	<u>15,000</u>	<u>28,500</u>	<u>28,556</u>	<u>(56)</u>
TOTAL TAXES	\$166,908	\$124,458	\$120,537	\$ 3,921
Intergovernmental-State:				
State Revenue Sharing	\$240,000	\$240,000	\$243,449	\$ (3,449)
Metro Authority	0	0	3,277	(3,277)
Charges for Services:				
Perry School Tax Adm. Fee	3,400	7,400	7,461	(61)
Licenses and Permit Fees	1,875	1,075	1,110	(35)
Cemetery Fees	13,575	14,025	15,870	(1,845)
Hall Rentals	10,000	8,500	5,575	2,925
Interest Income	1,500	5,000	15,698	(10,698)
Miscellaneous Other:				
Cable Franchise	6,848	5,848	5,947	(99)
Dog Licenses	100	100	393	(293)
Refunds & Rebates	<u>2,200</u>	<u>16,865</u>	<u>3,794</u>	<u>13,071</u>
TOTAL OTHER REVENUES	<u>\$279,498</u>	<u>\$298,813</u>	<u>\$302,574</u>	<u>\$ (3,761)</u>
TOTAL REVENUES	<u>\$446,406</u>	<u>\$423,271</u>	<u>\$423,111</u>	<u>\$ 160</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES				
General Government:				
Township Board	\$ 4,100	\$ 4,100	\$ 4,081	\$ 19
Supervisor	17,158	17,158	15,695	1,463
Elections	7,600	8,700	7,732	968
Audit	4,000	7,000	7,000	0
Assessor	18,000	19,500	18,440	1,060
Legal Services	7,000	7,000	5,532	1,468
Clerk	27,950	27,950	24,527	3,423
Tax Preparation	9,500	9,500	8,421	1,079
Board of Review	1,550	1,550	1,249	301
Treasurer	33,750	33,750	25,244	8,506
Building & Grounds	55,850	56,850	28,981	27,869
Cemetery	35,100	54,427	48,544	5,883
Planning Commission	<u>6,700</u>	<u>6,700</u>	<u>3,037</u>	<u>3,663</u>
TOTAL GENERAL GOVERNMENT	\$228,258	\$254,185	\$198,483	\$ 55,702
Public Safety:				
Emergency Services	<u>\$ 19,950</u>	<u>\$ 19,950</u>	<u>\$ 17,965</u>	<u>\$ 1,985</u>
TOTAL PUBLIC SAFETY	\$ 19,950	\$ 19,950	\$ 17,965	\$ 1,985
Public Works:				
Drains at Large	\$ 15,000	\$ 15,000	\$ 12,537	\$ 2,463
Highways & Streets	130,000	130,000	76,251	53,749
Engineering	<u>25,000</u>	<u>25,000</u>	<u>2,119</u>	<u>22,881</u>
TOTAL PUBLIC WORKS	\$170,000	\$170,000	\$ 90,907	\$ 79,093
Other:				
Retirement	\$ 20,000	\$ 30,000	\$ 1,249	\$ 28,751
Office Supplies	10,000	10,000	3,356	6,644
Dues & Subscriptions	3,500	3,500	2,925	575
Printing & Publishing	3,000	3,000	1,838	1,162
Insurance	9,000	9,000	7,541	1,459
Repairs & Maintenance	5,000	5,000	328	4,672
Contributions	4,000	9,000	8,469	531
Equipment	6,000	6,000	900	5,100
Contingencies	<u>29,698</u>	<u>16,098</u>	<u>649</u>	<u>15,449</u>
TOTAL OTHER	<u>\$ 90,198</u>	<u>\$ 91,598</u>	<u>\$ 27,255</u>	<u>\$ 64,343</u>
TOTAL EXPENDITURES	<u>\$508,406</u>	<u>\$535,733</u>	<u>\$334,610</u>	<u>\$201,123</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE – CONTINUED
YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (62,000)	\$(112,462)	\$ 88,501	\$(200,963)
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 2,000	\$ 52,462	\$ 55,502	\$ (3,040)
Transfers Out	<u>0</u>	<u>(98,000)</u>	<u>(235,000)</u>	<u>(137,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>2,000</u>	\$ <u>(45,538)</u>	<u>\$(179,498)</u>	<u>\$ 133,960</u>
Excess of Revenues over (under) Expenditures and Other Sources (Uses) of Funds	<u>\$ 60,000</u>	<u>\$(158,000)</u>	\$ (90,997)	<u>\$ (67,003)</u>
Fund Balance, April 1, 2006			<u>\$ 255,446</u>	
FUND BALANCE MARCH 31, 2007			<u>\$ 164,449</u>	

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
ROAD FUND
BUDGETARY COMPARISON SCHEDULE
ENDED MARCH 31, 2007

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES:				
Property Taxes – Special Assessment	\$ 11,000	\$ 11,000	\$ 3,753	\$ 7,247
Interest Income	<u>2,000</u>	<u>2,000</u>	<u>2,510</u>	<u>(510)</u>
TOTAL REVENUE	\$ 13,000	\$ 13,000	\$ 6,263	\$ 6,737
EXPENDITURES:				
Road Maintenance	\$ 48,000	\$ 48,400	\$ 15,208	\$ 33,192
Contingency	<u>48,941</u>	<u>48,541</u>	<u>0</u>	<u>48,541</u>
TOTAL EXPENDITURES	\$ 96,941	\$ 96,941	\$ 15,208	\$ 81,733
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(83,941)	\$(83,941)	\$ (8,945)	\$ (74,996)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 64,243</u>	<u>\$ (64,243)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	<u>\$(83,941)</u>	<u>\$(83,941)</u>	\$ 55,298	<u>\$(139,239)</u>
Fund balance, April 1, 2006			<u>81,730</u>	
FUND BALANCE, MARCH 31, 2007			<u>\$137,028</u>	

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
STREET LIGHTS FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUE:			
Property Taxes – Special Assessment	\$ 12,300	\$ 7,330	\$ 4,970
Interest Income	31	31	(1)
Miscellaneous Other Revenues	<u>0</u>	<u>56</u>	<u>(56)</u>
TOTAL REVENUE	\$ 12,300	\$ 7,417	\$ 4,913
EXPENDITURES:			
Clifford Field	\$ 4,500	\$ 4,177	\$ 323
Thornapple Drive	4,000	3,958	42
Contingency	<u>12,891</u>	<u>0</u>	<u>12,891</u>
TOTAL EXPENDITURES	\$ 21,391	\$ 8,135	\$ 13,256
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (9,061)	\$ (718)	\$ (8,343)
OTHER SOURCES (USES) OF FUNDS:			
Transfer from Other Funds	<u>(5,457)</u>	<u>3,500</u>	<u>(8,957)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	<u>\$ (14,518)</u>	\$ 2,782	<u>\$(17,300)</u>
Fund Balance – April 1, 2006		<u>8,268</u>	
FUND BALANCE, MARCH 31, 2007		<u>\$11,050</u>	

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED MARCH 31, 2007

	Original Budget	Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
License & Permit Fee	\$ 5,000	\$ 5,000	\$ 5,325	\$ (325)
Maintenance Fee	7,000	7,000	5,120	1,880
Interest Income	<u>1,500</u>	<u>1,500</u>	<u>2,141</u>	<u>(641)</u>
TOTAL REVENUE	\$ 13,500	\$ 13,500	\$ 12,586	\$ 914
EXPENDITURES:				
Operation Payment	\$ 1,800	\$ 1,800	\$ 1,800	\$ 0
Utilities	100	120	106	14
Contingency	<u>53,296</u>	<u>53,276</u>	<u>0</u>	<u>53,276</u>
TOTAL EXPENDITURES	\$ 55,196	\$ 55,196	\$ 1,906	\$ 53,290
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$(41,696)</u>	<u>\$(41,696)</u>	\$ 10,680	<u>\$(52,376)</u>
Fund balance, April 1, 2006			<u>44,076</u>	
FUND BALANCE, MARCH 31, 2007			<u>\$ 54,756</u>	

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
 COMPONENT UNIT
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED MARCH 31, 2007

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Property Taxes	\$ 20,567	\$ 20,567	\$ 20,567	\$ 0
Interest Income	<u>1,500</u>	<u>1,500</u>	<u>1,753</u>	<u>(253)</u>
TOTAL REVENUE	\$ 22,067	\$ 22,067	\$ 22,320	\$ (253)
EXPENDITURES:				
Attorney Fees	\$ 700	\$ 800	\$ 760	\$ 40
Contracted Services	21,300	21,300	21,300	0
Engineering	450	450	450	0
Contingency	<u>47,446</u>	<u>47,346</u>	<u>0</u>	<u>47,346</u>
TOTAL EXPENDITURES	\$ 69,896	\$ 69,896	\$ 22,510	\$ 47,386
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$(47,829)</u>	<u>\$(47,829)</u>	\$ (190)	<u>\$(47,639)</u>
Fund balance, April 1, 2006			<u>45,446</u>	
FUND BALANCE, MARCH 31, 2007			<u>\$ 45,256</u>	

The accompanying notes are an integral part of these financial statements.

OTHER SUPPLEMENTARY INFORMATION

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
CEMETERY FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS:

Cash	<u>\$56,062</u>
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LIABILITIES AND FUND BALANCE:

Fund Balance	<u>\$56,062</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
CEMETERY FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>
REVENUES:			
Perpetual Care Fees	\$ 500	\$ 595	\$ (95)
Interest Income	30	2,554	(2,524)
Unrealized Gain on Investment	<u>\$ 0</u>	<u>\$ 806</u>	<u>\$ (806)</u>
TOTAL REVENUES	\$ 530	\$ 3,955	\$ (3,425)
EXPENDITURES	<u>\$ 55,875</u>	<u>\$ 0</u>	<u>\$ 55,875</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(55,345)	\$ 3,955	\$(59,300)
OTHER SOURCES (USES) OF FUNDS:			
Transfer to Other Funds	<u>0</u>	<u>(5,040)</u>	<u>5,040</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	<u>\$(55,345)</u>	\$ (1,085)	<u>\$(54,260)</u>
Fund Balance April 1, 2006		<u>57,147</u>	
FUND BALANCE MARCH 31, 2007		<u>\$56,062</u>	

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
IMPROVEMENT FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS:

Cash	<u>\$98,554</u>
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LIABILITIES AND FUND BALANCE:

Fund Balance	<u>\$98,554</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
IMPROVEMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>
REVENUES:			
Interest Income	\$ 2,000	\$ 2,645	\$ (645)
TOTAL REVENUES	\$ 2,000	\$ 2,645	\$ (645)
EXPENDITURES	\$ 77,909	\$ 6	\$ 77,903
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(75,909)	\$ 2,639	\$(78,548)
OTHER SOURCES (USES) OF FUNDS:			
Transfer from Other Funds	<u>31,668</u>	<u>51,673</u>	<u>(20,006)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	<u>\$(44,241)</u>	\$ 54,312	<u>\$(98,553)</u>
Fund Balance April 1, 2006		<u>44,242</u>	
FUND BALANCE MARCH 31, 2007		<u>\$98,554</u>	

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
INVESTMENT FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS:

Cash	\$66,674
Due from Other Funds	<u>1,259</u>
TOTAL ASSETS	<u>\$67,933</u>

LIABILITIES AND FUND BALANCE:

Fund Balance	<u>\$67,933</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
INVESTMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>
REVENUES:			
Interest Income	\$ 300	\$ 423	\$ (123)
TOTAL REVENUES	\$ 300	\$ 423	\$ (123)
EXPENDITURES	<u>\$ 36,551</u>	<u>\$ 0</u>	<u>\$ 36,551</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(36,251)	\$ 423	\$(36,674)
OTHER SOURCES (USES) OF FUNDS:			
Transfer from Other Funds	<u>0</u>	<u>30,000</u>	<u>(30,000)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	<u>\$ 36,251</u>	\$ 30,423	<u>\$ 5,828</u>
Fund Balance April 1, 2006		<u>37,510</u>	
FUND BALANCE MARCH 31, 2007		<u>\$67,933</u>	

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
LAND AND BUILDING FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS:

Cash	<u>\$98,247</u>
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LIABILITIES AND FUND BALANCE:

Fund Balance	<u>\$98,247</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
LAND AND BUILDING FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>
REVENUES:			
Interest Income	\$ 3000	\$ 3,868	\$ (68)
TOTAL REVENUES	\$ 3000	\$ 3,868	\$ (68)
EXPENDITURES	\$ 97,379	\$ 0	\$ 97,379
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (94,379)	\$ 3,868	\$(98,247)
OTHER SOURCES (USES) OF FUNDS:			
Transfer from Other Funds	<u>49,000</u>	<u>49,000</u>	<u>0</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	<u>\$ (45,379)</u>	\$ 52,868	<u>\$(98,247)</u>
Fund Balance April 1, 2006		<u>45,379</u>	
FUND BALANCE MARCH 31, 2007		<u>\$98,247</u>	

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
PAVING FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS:

Cash and Cash Equivalents	\$ 405
Due from Other Funds	1,060
Due from Other Gov't Units (Delinquent Taxes)	349
Receivables	<u>5,666</u>
TOTAL ASSETS	<u>\$7,480</u>

LIABILITIES AND FUND BALANCE:

Fund Balance	<u>\$7,480</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
PAVING FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>
REVENUES:			
Road Paving	\$ 4,300	\$ 0	\$ 4,300
Interest Income	<u>\$ 130</u>	<u>\$ 150</u>	<u>\$ (20)</u>
TOTAL REVENUES	\$ 4,430	\$ 150	\$ 4,280
EXPENDITURES	<u>\$ 346</u>	<u>\$ 0</u>	<u>\$ 346</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 4,084	\$ 150	\$ 3,934
OTHER SOURCES (USES) OF FUNDS:			
Transfer to Other Funds	<u>(7,000)</u>	<u>(13,878)</u>	<u>6,878</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	<u>\$ (2,916)</u>	<u>\$(13,728)</u>	<u>\$ 10,812</u>
Fund Balance April 1, 2006		<u>21,208</u>	
FUND BALANCE MARCH 31, 2007		<u>\$ 7,480</u>	

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
BALANCE SHEET – FIDUCIARY FUNDS
TAX COLLECTION FUND
MARCH 31, 2007

ASSETS

Cash	\$31,249
	<u>\$31,249</u>

LIABILITIES

Due to Other Funds	\$28,023
Due to Other Entities	<u>3,226</u>
	<u>\$31,249</u>

The accompanying notes are an integral part of these financial statements.



DEMIS and WENZLICK, P.C.

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Board of Trustees
Township of Perry
Shiawassee County, Michigan

In compliance with the provisions of Section 11, of Act 2, P.A. of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Township of Perry for the year ended March 31, 2007.

We have no comments or recommendations at this time.

We would like to thank the staff of the Township and the Township Board for the excellent cooperation we received for this year's audit. If we can be of any further assistance to the township please contact us.

Very truly yours,

Demis and Wenzlick, P.C.

Certified Public Accountants